

2006 CITY PROPERTY TAXES

COUNCIL APPROVES GENERAL FUND BUDGET

IN AN EFFORT TO MAINTAIN QUALITY services at an affordable price, the City Council adopted a General Fund Budget of \$47,226,472, an increase that has averaged 2.77 percent per year since 2003.

The City Council approved a tax levy for 2006 of \$38,167,181. General Fund property taxes have increased only 4.69 percent over the past five years, from \$26.4 million in 2002 to \$31.7 million in 2006. Part of the increase was due to the City’s loss of \$3.2 million in state aid payments during that period.

Based on this tax levy, the City’s portion of property taxes – approximately 34 percent – will increase from \$57.14 to \$60.50 per month for the owner of a median-priced single-family home with a 2005 market value of \$231,200. The median-valued home increased 7.8 percent in 2005 – a \$16,800 appreciation in asset value of the investment in the home.

Conservative increase

“Including the 2006 increase, the City’s total levy dollar increase averaged 3.17 percent annually over the last 13 years,” explained Lori Economy-Scholler, Bloomington Chief Financial Officer. “The City’s strong financial position and conservative spending pattern have helped keep tax increases low as

evidenced by the City’s achievement of the highest bond ratings from Standard and Poor’s, Moody’s and Fitch credit rating agencies.”

Home value increases

A strong residential property market, moderate market increases for other property types and the state’s 2001 property tax reform increased overall residential property taxes for 2006. These factors also shifted the burden for the City’s share of taxes from commercial/industrial and apartment properties to single-family residential properties. In addition, the City will not receive payment of \$1 million in market value credit from the state in 2006. The median-valued home’s total property taxes have increased at an annual rate of 5.5 percent per year for the past 12 years and, as a percentage of market value, have decreased 1.2 percent per year for the same period.

Responsible budgeting

The City made adjustments in 2002 through 2005 for declining local revenues. Even with the loss of state monies in 2006, the City has an ongoing commitment to provide cost-effective services while minimizing increases.

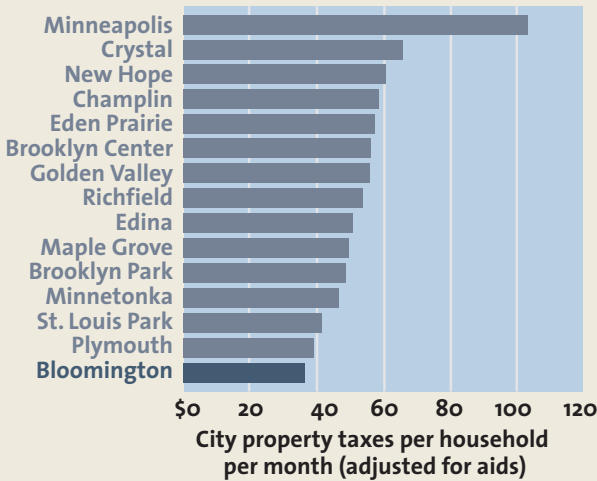
In a 2005 comparison of 15 communities in Hennepin County with

more than 20,000 residents, the average household cost of services in terms of property taxes and property tax aids (when adjusted for Fiscal Disparities) showed Bloomington ranking lowest, with the average household paying \$36.30 per month in property taxes to the City. (The comparison was based on all households, including single-family homes.) *See bar graph at above right.*

Public works, police and fire services account for about 75 percent of the monthly services for which homeowners pay. *See chart at right.*

From 1995 through 2002, utility fees remained unchanged. For 2006, utility fees will increase \$1.64, or 5.1 percent per month, for an annual average increase of 2.2 percent since 1995.

AVERAGE HOUSEHOLD COST OF SERVICES IN 2005 FOR 15 HENNEPIN COUNTY CITIES



MONTHLY COST FOR CITY SERVICES

Service type*	2005	2006
Police	\$17.49	\$19.18
Public Works	14.13	15.10
Community Services	7.93	8.56
Debt and capital	6.25	4.73
Fire	6.30	4.93
Community Development	2.80	3.16
Technical Services	2.24	2.51
Strategic Priorities	—	2.33
Monthly total for City services	\$57.14	\$60.50
Median home value	\$214,400	\$231,200

*Revised for final levy.

PARTNERSHIP MONITORS AIRCRAFT COMPLIANCE

NEW RUNWAY OPERATIONS AT MSP

AIRCRAFT USING THE NEW 17-35 RUNWAY that opened in October at Minneapolis-St. Paul International Airport have caused increased noise for some Bloomington properties. Prior to the opening, the City Council and the City of Bloomington worked with the Metropolitan Airports Commission (MAC) to ensure that operational measures would be implemented to reduce noise impacts on residents.

A runway departure procedure called the 2.5 Nautical Mile Turn Point was established as a method for reducing flights over residential areas west of Cedar Avenue. The intent of the procedure is that departing aircraft will fly over undeveloped land in the Minnesota River Valley and reach a higher altitude before turning toward Bloomington and destinations to the west. *See map.* One of the primary concerns for Bloomington residents has been pilot compliance with this departure procedure.

During the first few weeks of use, 85 percent of westbound aircraft were complying with the turn point procedure. At the end of December, the Federal Aviation Administration (FAA) changed its instructions to pilots, resulting in an improved 98 percent compliance with the procedure.

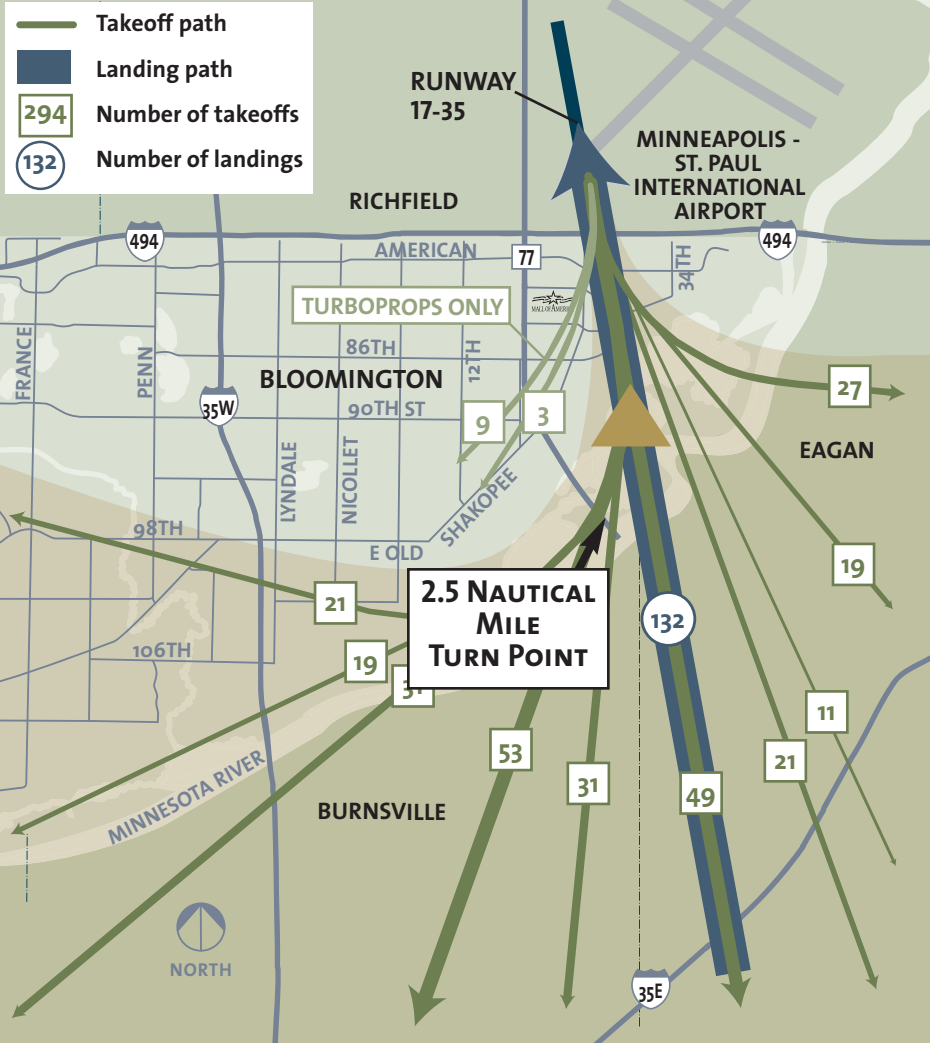
“Our compliance goal is 100 percent,” Chad Leque, Manager of Aviation Noise and Satellite Programs at MAC, said. “MAC is continuing to review flight track data and talk with the FAA and pilots to ensure the highest degree of compliance with the procedure.”

The City continues to work with MAC and the FAA to monitor aircraft noise impact in Bloomington. The City Council will meet with MAC and the FAA in February to discuss aircraft compliance with departure procedures.

For more information, call MAC’s Noise Complaint and Information Line at 612-726-9411 or visit www.macnoise.com.



RUNWAY 17-35 DAILY TAKEOFFS AND LANDINGS
BASED ON 2007 ANNUAL AVERAGE DAY



An average of 294 takeoffs and 132 landings will use Runway 17-35 each day by 2007. Through December, use of the runway was about half of these rates. The FAA expects the number of aircraft on 17-35 to increase in 2006. To reduce noise impacts over populated areas in Bloomington, the 2.5 Nautical Mile Turn Point procedure directs westbound aircraft departing Runway 17 over the Minnesota River Valley before turning west on their assigned headings.

PUBLIC INFORMATION MEETINGS

MAC will conduct two additional public input meetings this spring to report on runway operations and answer residents’ questions. The meetings will take place at Bloomington Civic Plaza, 1800 W. Old Shakopee Road.

Date	Time	Location
Tuesday, April 25	7 p.m.	Council Chambers
Tuesday, June 20	6:30 p.m.	Schneider Theater